

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 385th
MEETING OF THE BOARD OF COMMISSIONERS June 25, 2014**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on June 25, 2014 pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Jim Bennett, Paul MacDonald, Letitia Carter, Dale Venturini, Joe DeLorenzo, Patrick Butler and Jeff Hirsh.

Scott Gunn, Tony Mendez and George Nee were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Katrina Delicato, Arlene Oliva, Cheryl Cohen, John Ciolfi, Robert Cappalli and Beth Johnson, Complex; Dan Schwartz, The VETS; Lynn Singleton, PFM; Martha Sheridan and Kristin McGrath, CVB; Jim Surmacez, Guest; Amber Ilcisko, Bruce Leach, Legal Counsel; Robert Bromley, Senate Fiscal Office; Robert Eaton, State Budget Office, Joseph Solomon, House Policy Office and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:05 AM and asked for a motion to approve the minutes of the May Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Mr. DeLorenzo it was unanimously

VOTED: to approve the minutes of the May Board Meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of May the VETS net income variance was 18,737 to budget and \$23,521 to the prior year. Year to date net income for the VETS was (\$61,330) to budget and (\$78,068) to the prior year. Mr. McCarvill stated that a diversified schedule has placed the VETS on the right track. Mr. McCarvill reported that the Convention Center's net income for the month of May was (\$195,774) to budget and \$145,760 to the prior year. Year to date net income for the Convention Center was (\$544,111) to budget and \$224,209 to the prior year. Mr. McCarvill stated that higher than anticipated salaries, benefits and operational labor continue to impact net income. Mr. McCarvill reported that lower than expected parking revenue has contributed to the negative variance. Mr. McCarvill stated that the Convention Center will most likely meet budget expectations for the year. He also noted that as the building gets older upkeep is more costly. Mr. McCarvill reported that for the month of May the Dunkin' Donuts Center's net income variance was (\$139,923) to budget and (\$76,666) to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was (\$792,769) to budget and (\$394,524) to the prior year. Mr. McCarvill reported that the cancellation of several circus performances following the accident impacted rental income, concessions and suite income. Mr. McCarvill

reported that the Convention Center Authority's net income variance for the month of May was (\$4,435) to budget and (\$1,485,097) to the prior year. Year to date net income for the Authority was \$178,673 to budget and (\$1,338,938) to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of May was (\$321,394) to budget and (\$1,392,481) to the prior year. Year to date consolidated net income was (\$1,204,194) to budget and (\$1,587,328) to the prior year. Mr. McCarvill stated that the Authority's variance to the prior year is due to higher insurance payments in November. Mr. McCarvill stated that we will most likely lose \$800,000 this year. Ms. Carter asked if the \$1.5 million was advanced annually. Mr. McCarvill answered yes. Mr. Hirsh asked what the estimated loss was due to the circus accident. Mr. McCarvill said about \$40,000.

Mr. Bennett asked for a motion to accept the financial report as presented. Upon a motion duly made by Mr. Butler and seconded by Mr. MacDonald it was unanimously

VOTED: to accept the financial report as presented.

Ms. Keough addressed the Board and reported that she and Mr. Leach have been working on a contract with CSL to perform an Economic Impact Study for the facility. Mr. MacDonald asked if there is a target date for the completion of the study. Ms. Keough answered that it should be complete in 6 to 8 months. Mr. Butler

stated that it is important for people to know how much of an impact we have on the City and the nearby restaurants. Ms. Venturini stated that every commissioner should be interviewed for the study.

Ms. Keough reported that all five of the web-sites are being worked on and should be up and running soon. Ms. Keough stated that the UUA group that is occupying the buildings has arranged to repel from the top of the building. She reported that they have hired an outside company to do the rigging and we have insisted that all insurance be up to date and sufficient to protect the Authority.

Mr. MacDonald asked if we purchase advertising from WPRO. Ms. Keough said that at times we do and promoters also purchase air time from WPRO. Mr. MacDonald noted that the Station continues to employ an individual that disparages women. Mr. MacDonald suggested that we discourage use of WPRO.

Ms. Sheridan reported that UUA has taken over the Convention Center. She noted that they will be utilizing 10,000 room nights during this conference. Ms. Sheridan complimented the building staff for working to keep the client happy. Ms. Sheridan noted that the catering team had gone out of their way to accommodate the group. Ms. Sheridan also noted that hotel rooms in the State are hard to come by this weekend because of UUA and US Youth Soccer Tournament at URI. N distributed a map of the City highlighting all historic landmarks.

Mr. McCarvill reported that the CVB and Dunkin' Donuts Center submitted a bid for the Atlantic 10 Conference Basketball Tournament and representatives from the Conference will be doing a site tour in early July.

Mr. Schwartz addressed the Board and stated that the theater has wrapped up for the year. Mr. Schwartz said that he will be working hard to secure diverse entertainment for the next season. Mr. Schwartz noted that there have been many offers made to performers and the future looks promising. Mr. Schwartz noted that we will be having an Elvis impersonator that has been recognized for his talent. He stated that Memories of Elvis is performed at Graceland.

Mr. Schwartz noted that now that the Theater is closed for the Summer, construction is in full swing and building looks great. Mr. Schwartz noted that handrails are being manufactured and the carpet is at Ruggieri's waiting to be delivered. Mr. Schwartz said that times are changing at the VETS. Discussion ensued regarding the proposed bridge to the mall. Mr. McCarvill noted that the bridge is on hold and with the new entrance on Park St. may not be necessary. Mr. MacDonald commented that he had an opportunity to visit the VETS and was pleased that the staff was polite and helpful with parking arrangements.

Mr. Bennett reported that the City is moving forward and that plans

are in the works for a nursing school combining all current nursing programs in the City. Mr. Bennett also noted that negotiations are ongoing for the Fogarty Building.

Mr. Lepore reported that the garages are being cleaned. Mr. Lepore mentioned that we are struggling with parking. He said that he has been meeting with his staff to come up with a plan to increase parking. Mr. Butler asked how many spots are available. Mr. Lepore said that there are 600 available. He said that we took a hit with 38 Studios and we have not seen a great deal of parking for Hasbro although there is a plan to move more people from Pawtucket. Mr. Lepore noted that Hasbro has been a great source of business for meetings, etc

Mr. Lepore reported that the concert business continues to be a struggle. He noted that the recent EDM concert in Boston was a disaster because they tried to put too many people and lost control. Mr. Lepore said that we will not let that happen here and we will not allow more than 4,500 people.

Mr. Bennett asked Mr. Lepore to explain Frozen. Mr. Lepore said that it is a Disney ice show based on the movie Frozen. Ms. Keough said that her daughter loved the movie and was looking forward to the ice show.

Mr. Lepore reported that the restaurant that we operated for 2

Waterfire events was not very well attended although we did very well for a BRU Concert. Mr. Butler asked if we had lost on the experiment.

Mr. Lepore answered that we have because of start up costs like cleaning. Mr. Lepore noted that there were a lot of unknowns and the effort needs to be fine tuned. Discussion ensued regarding a lease and the Parks Department. Mr. Lepore noted that there are a lot of spokes to this wheel.

Mr. Lepore stated that we are hosting an event for our best clients at a cocktail hour prior to the Cirque show on July 1st. Mr. Lepore stated that invitations will be sent to the Board via e-mail.

Mr. McCarvill stated that the Mohegan thing is a real problem and we need to look at ways that we can compete. He noted that Twin River is interested in working with us. Mr. Lepore said that he is meeting with the General Manager of the Hartford arena to see if there are concerts that we could do together.

Mr. Hirsh asked how the circus people that were injured were doing and have we been brought into any suits. Mr. Lepore said that we understand that some are still in poor shape. He said that he has not heard of any suits naming the facility.

Mr. Bennett asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. DeLorenzo it was unanimously

VOTED: to adjourn at 10:15 AM